

Message Text

UNCLASSIFIED

PAGE 01 CALGAR 00561 261355Z

44

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 /105 W

----- 005764

R 261330Z SEP 75

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 1462

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 0561

E.O. 11652: N/A

TAGS: EALR, ENRG, CA

SUBJ: AGREEMENT ON NATURAL GAS PRICE INCREASE REACHED AT
EDMONTON

REF: CALGARY A-61, JUNE 2/75

1. TECHNICALITIES OF AN AGREEMENT THAT WILL SET NATURAL GAS PRICES AT DOLS 1.25 PER THOUSAND CUBIC FEET IN TORONTO EFFECTIVE NOV. 1 WERE HAMMERED OUT AT A SERIES OF FEDERAL AND PROVINCIAL MINISTERIAL MEETINGS HELD AT EDMONTON OVER THE PAST TWO DAYS. THE MEETINGS WERE HELD FOR THE PURPOSE OF EXCHANGING IDEAS ON HOW TO IMPLEMENADWEI GAS PRICING DECISION CONTAINED IN THE JUNE FEDERAL BUDGET.

2. UNDER THE NEW ARRANGEMENTS, THE NEW BENCH MARK PRICE FOR ALBERTA NATURAL GAS IN CANADA WILL BE DOLS 1.25 PER THOUSAND CUBIC FEET AT TORONTO. THE PREVIOUS PRICE WAS 82 CENTS PER THOUSAND CUBIC FEET. PRICES ELSEWHERE IN CANADA WILL BE ADJUSTED AGAINST THE TORONTO BASE AND NATURAL GAS EXPORTED FROM ALBERTA TO THE UNITED STATES WILL BE DOLS 1.60 PER THOUSAND CUBIC FEET EFFECTIVE NOV. 1.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CALGAR 00561 261355Z

EM THE NET EFFECT IN ALBERTA IS THAT THE AVERAGE WELLHEAD

PRICE FOR A THOUSAND CUBIC FEET OF NATURAL GAS SHIPPED OUT OF THE PROVINCE WILL BE 98 CENTS, COMPARED TO ABOUT 50 CENTS IN RECENT MONTHS. THE RISING GAS PRICES WILL NOT HAVE AN IMMEDIATE IMPACT ON ALBERTA CONSUMERS, BUT THEY SHOULD BEGIN TO FEEL THE PINCH AFTER NEXT MARCH. THE ALBERTA NATURAL GAS REBATE PLAN COVERS THE COST OF GAS FOR ALBERTA CONSUMERS EXCEPT FOR THE FIRST 28 CENTS PER THOUSAND CUBIC FEET. CONSEQUENTLY, THE PROVINCIAL SHELTER PLAN WILL COVER FOR A TIME THE GROWING COST OF GAS AT THE WELLHEAD. ALBERTA UTILITIES MINISTER ALLAN WARRACK HAS ALREADY TOLD ALBERTANS THEY CAN EXPECT A "SUBSTANTIAL JUMP" WHEN THE SHELTER PRICE UNDER THE REBATE PLAN IS REVISED ON MARCH 31, 1976. HOWEVER, EVEN DOUBLING THE SHELTER PRICE - IN EFFECT ASKING ALBERTANS TO PAY 56 CENTS PER THOUSAND CUBIC FEET AT THE WELLHEAD, WOULD LEAVE ALBERTANS PAYING SUBSTANTIALLY LESS THAN THE DOLS 1.25 PER THOUSAND CUBIC FEET WHOLESALE COST APPLICABLE TO TORONTO.

(NOTE: THE PRICE RISE ACTION TAKEN BY THE REPRESENTATIVES OF THE TWO GOVERNMENTS IN EFFECT OVERRULES AN ALBERTA ARBITRATION BOARD AWARD THAT WOULD HAVE INCREASED THE TORONTO WHOLESALE PRICE TO DOLS 1.52 PER THOUSAND CUBIC FEET, AN INCREASE OF 85 PERCENT).

HALL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, AGREEMENTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CALGAR00561
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750334-1142
From: CALGARY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750911/aaaaaivz.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 CALGARY A-61
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by MaustMC>; APPROVED <13 FEB 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AGREEMENT ON NATURAL GAS PRICE INCREASE REACHED AT EDMONTON
TAGS: EALR, ENRG, CA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006